Supreme Court, U.S.
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No. _____

In The

Supreme Court of the United States

October Term, 1997

HEARTSPRINGS, INC.,

Petitioner,

v.

HEARTSPRING, INC., a/k/a
INSTITUTE OF LOGOPEDICS, INC.,

Respondent.

On Petition For Writ Of Certiorari To The United States Court Of Appeals For The Tenth Circuit

PETITION FOR WRIT OF CERTIORARI

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QUESTIONS PRESENTED

The only disputed issue in this Lanham Act case was whether respondent's mark "Heartspring" as applied to educational services for physically disabled children is likely to be confused with petitioner's mark "Heartsprings" as applied to educational materials for emotionally disabled children. The district court found that it is not, and granted summary judgment in favor of respondent. The issues raised in this petition are:

1. In determining whether there exists a likelihood of confusion in the context of a summary judgment motion, is the district court empowered to make factual "findings" that are reviewed for clear error on appeal, or must the district court merely determine whether a genuine issue of fact exists – an analysis subject to *de novo* review?

2. Is the mark "Heartsprings" a suggestive mark entitled to limited protection as the Tenth Circuit held or is it an arbitrary and fanciful mark entitled to broad protection as the Ninth Circuit would hold?

PARTIES

Petitioner Heartsprings, Inc., has no parent or subsidiary companies.

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PETITION FOR WRIT OF CERTIORARI

Heartsprings, Inc., respectfully prays that a writ of certiorari issue to review the judgment and opinion of the United States Court of Appeals for the Tenth Circuit entered in this proceeding on April 20, 1998, in order to correct that court's deviation from the Supreme Court's clear pronouncement on the proper role of the district court in ruling on a motion for summary judgment. The Court should also grant this petition to resolve inconsistency in the circuits in the manner of classifying trademarks.

OPINIONS BELOW

The opinion of the United States Court of Appeals for the Tenth Circuit that gives rise to this petition is reported at *Heartsprings, Inc. v. Heartspring, Inc.*, 143 F.3d 550 (10th Cir. 1998), and is reprinted in Appendix A hereto at page A1. The Tenth Circuit's order denying petitioner's petition for rehearing is reprinted at page A28. The memorandum and order of the United States District Court for the District of Kansas granting summary judgment in favor of respondent is reported at 949 F. Supp. 1539 (D. Kan. 1996), and is reprinted at page A30.

JURISDICTION

The United States Court of Appeals for the Tenth Circuit issued its opinion in this case on April 20, 1998.

(A1) Petitioner timely filed a petition for rehearing on May 4, 1998, which the court of appeals denied on June 2, 1998. (A28) Pursuant to 28 U.S.C. § 2101(c), this petition for writ of certiorari has been filed within ninety days of the denial of rehearing.

This Court's jurisdiction to review the decision below is conferred by 28 U.S.C. § 1254(1).

STATUTE INVOLVED IN THE CASE

Section 43(a)(1) of the Lanham Act reads:

(1) Any person who, on or in connection with any goods or services, or any container for goods, uses in commerce any word, term, name, symbol, or device, or any combination thereof, or any false designation of origin, false or misleading description of fact, or false or misleading representation of fact, which –

> (A) is likely to cause confusion, or to cause mistake, or to deceive as to the affiliation, connection, or association of such person with another person, or as to the origin, sponsorship, or approval of his or her goods, services, or commercial activities by another person, or
>
> (B) in commercial advertising or promotion, misrepresents the nature, characteristics, qualities, or geographic origin of his or her or another person's goods, services, or commercial activities, shall be liable in a civil action by any person who believes that he or she is or is likely to be damaged by such act.

15 U.S.C. § 1125(a)(1).

STATEMENT OF THE CASE

Petitioner Heartsprings, Inc., is engaged in the business of developing, publishing, marketing and licensing various psychological and educational materials for normal and developmentally disabled children and their families. Respondent Heartspring, Inc., provides educational services and programs for physically disabled children.

Petitioner sued respondent alleging that the latter's use of the mark HEARTSPRING constituted a false designation of origin and unfair competition under Section 43(a) of the Lanham Act, 15 U.S.C. 1125(a). The district court had subject matter jurisdiction under 28 U.S.C. § 1338, 15 U.S.C. § 1121, and 28 U.S.C. § 1367.

Both parties moved for summary judgment on the issue whether HEARTSPRING was likely to cause confusion with HEARTSPRINGS. Rather than simply determine whether fact issues existed on each of the six factors used by the Tenth Circuit to decide this issue, the district court *weighed* the evidence produced by the parties and made a factual determination that no likelihood of confusion existed.

For example, while the district court acknowledged that "[d]efendant's name is virtually identical to that of plaintiff" (A36), it discounted the value of that evidence because of the different typefaces used by the parties. (*Id.*) Similarly, instead of assessing whether evidence existed on the issue of the similarity of the parties' products and services, the district court again weighed the evidence. On this issue, the court concluded that "the differences between the parties' products far outweigh the

similarities, however, and militate against a finding of likelihood of confusion." (A38) The district court also weighed the evidence of actual confusion produced by the plaintiff and held that "defendant's (sic plaintiff's) evidence is entitled to little weight." (A43)

Finally, on the issue of strength of petitioner's mark, the district court held that " 'Heartspring' and 'Heartsprings' are invented words, but their components project a certain meaning intended by the parties, thus, the marks are *suggestive* and relatively strong." (A44) (emphasis added)

The Tenth Circuit Court of Appeals affirmed. After reciting the proper standard of review for summary judgment, the court applied a completely different standard and gave *deference* to the facts *found* by the district court. The court stated that "[l]ikelihood of confusion is a question of fact we review for clear error. . . . In this case, the district court found consumers were unlikely to confuse the two marks at issue. If this finding is not clearly erroneous, the plaintiff's claim fails." (A5)

After deferring to the district court's factual findings, the court of appeals held that "[o]n this record, we cannot find clear error in the district court's failure to find a likelihood of confusion." (A17)

REASONS FOR GRANTING THE WRIT

I.

The Decision Below Conflicts with the Court's Consistent View that District Courts Do Not Weigh the Evidence When Ruling on a Summary Judgment Motion

In *Anderson v. Liberty Lobby, Inc.*, 477 U.S. 242, 249 (1986), the Court stated that "[i]t is clear enough from our recent cases that at the summary judgment stage the judge's function is not himself to weigh the evidence and determine the truth of the matter but to determine whether there is a genuine issue for trial."

Even though the court of appeals cited *Anderson*, it acted contrary to its teachings when it equated the court's function in reviewing a summary judgment with its role in reviewing factual findings made by a district court under Fed. R. Civ. P. 52. As this Court well knows, these standards of review are hardly interchangeable. In fact, the clearly erroneous standard of review is the antithesis of the *de novo* standard reaffirmed in *Anderson*. Under the summary judgment standard, the court's function is simply to determine whether enough evidence exists to warrant the expense of having a fact finder decide what the facts are. The clearly erroneous standard, on the other hand, applies after the fact finder has already spoken. As this Court has held, a finding of fact is clearly erroneous when, "although there is evidence to support it, the reviewing court on the entire evidence is left with the definite and firm conviction that a mistake has been committed." *Anderson v. City of Bessemer City*, 470 U.S. 564, 573 (1985).

The court below intermingled these standards and deprived petitioner of its right to have a jury resolve the factual disputes in this case. The court stated that "[l]ikelihood of confusion is a question of fact we review for clear error. . . . In this case, the district court found consumers were unlikely to confuse the two marks at issue. If this finding is not clearly erroneous, the plaintiff's claim fails." (A5)

This case does not represent an isolated instance of a court citing to an incorrect legal principle. To the contrary, the opinion below cited prior Tenth Circuit authority as support for its analysis. In one of those prior cases, the court discussed "the circuit split regarding appropriate standard of review for likelihood of confusion and reaffirm[ed] the Tenth Circuit's general rule of treating the issue as a question of fact subject to review for clear error." *See Beer Nuts, Inc. v. Clover Club Foods Co.*, 805 F.2d 920, 923 n.2 (10th Cir. 1986).

Other circuits, however, have applied the appropriate standard of review to the likelihood of confusion issue in a summary judgment context. *See, e.g., Dreamwerks Prod. Group, Inc. v. SKG Studio*, 142 F.3d 1127, 1129 (9th Cir 1998) (likelihood of confusion reviewed *de novo* in summary judgment appeal, for clear error in appeal from bench trial); *Homeowners Group v. Home Marketing Specialists*, 931 F.2d 1100 (6th Cir. 1991) (court's inquiry limited to ascertaining whether fact issues exist); *Country Floors v. Partnership of Gepner & Ford*, 930 F.2d 1056, 1062 (3rd Cir. 1991) (in reversing summary judgment because district court erroneously made credibility determinations, the court stated, "[o]n appeal from an order granting summary judgment, appellate review is plenary. . . . After a

bench trial, appellate review of findings of fact is for clear error."); *Perini Corp. v. Perini Const., Inc.*, 915 F.2d 121 (4th Cir. 1990) (reversing summary judgment because fact issues existed regarding likelihood of confusion).

The decision below conflicts with black letter Supreme Court authority and cases from other circuits properly applying that law. The Court should grant the petition to bring the Tenth Circuit in line with these cases.

II.

The Lower Courts Need Guidance on How to Characterize the Relative Strength of a Trademark

In *Two Pesos, Inc. v. Taco Cabana, Inc.*, 505 U.S. 763, 768 (1992), the Court held that marks should be placed in one of five categories: 1) generic; 2) descriptive; 3) suggestive; 4) arbitrary; or 5) fanciful. The Court did not, however, provide much guidance on how these categories should be defined, leaving it to the lower courts to devise their own definitions.

The Tenth Circuit in this case held that "Heartsprings" was suggestive, not arbitrary because the name was coined by petitioner's founder to convey feelings of wellness. The court also held that an arbitrary mark must have a common meaning unrelated to the product for which it has been assigned. The court held that "Heartsprings" has no common meaning and, therefore, cannot be considered arbitrary. (A10)

The Tenth Circuit's definition of "arbitrary" conflicts with the definition given in the recent *Dreamwerks* case. There the Ninth Circuit ruled that "Dreamwerks" was

entitled to greater protection than that afforded suggestive marks. 142 F.3d at 1130-1131. The court stated

> Arbitrary or fanciful marks deserve wide protection because the trademark holder can properly expect to run into very little confusion from honest competitors. A fanciful mark is a coined word or phrase, such as Kodak, invented solely to function as a trademark. . . . An arbitrary mark such as Dutch Boy on a can of paint, uses common words in a fictitious and arbitrary manner to create a distinctive mark which identifies the source of the product. In either case the trademark holder must work hard to make consumers associate the trademark with the product. This suggests that any association is the result of goodwill and deserves broad protection from potential infringers.

Id. at 1130 n. 8.

The decision below also conflicts with *Dreamwerks* in another significant way. In *Dreamwerks*, the court analyzed the likelihood of confusion from the perspective of the "reasonably prudent consumer." 142 F.3d at 1130. The Tenth Circuit, however, analyzed the issue from the perspective of the parties. The court stated: "Plaintiff admits it selected the name to convey emotional characteristics of family and child life rather than problems, that would be aimed at wellness rather than problems, and that would suggest springing forth and be pro-active." (A10 (internal quotations omitted))

There can be no consistency in the law if in one circuit "Heartsprings" is entitled to the moderate protection afforded suggestive marks, while in another circuit "Dreamwerks" is entitled to the broad protection entitled

arbitrary or fanciful marks. The Court should grant the petition to give the lower courts guidance on the difference between suggestive marks and arbitrary or fanciful marks.

CONCLUSION

For the above reasons, the petition for writ of certiorari should be granted.

Respectfully submitted,

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PUBLISH

UNITED STATES COURT OF APPEALS

TENTH CIRCUIT

HEARTSPRINGS, INC., Plaintiff – Appellant,	)	
v.	)	
HEARTSPRING, INC., a.k.a. Institute of Logopedics, Inc., Defendant – Appellee.	)	No. 97-3011

APPEAL FROM THE
UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF KANSAS
(D.C. No. 96-2285-JWL)

(Filed Apr. 20, 1998)

Devon A. Rolf (Joseph B. Bowman with him on the briefs), Kokjer, Kircher, Bowman & Johnson, P.C., Kansas City, Missouri, for Plaintiff – Appellant.

William Bruce Day (David B. Pointer and Judith L. Kloster, with him on the briefs), Stinson, Mag & Fizzell, P.C., Kansas City, Missouri, for Defendant – Appellee.

Before **PORFILIO**, Circuit Judge, **EBEL**, Circuit Judge, and **BRETT**, District Judge.*

---

* The Honorable Thomas R. Brett, District Judge, United States District Court for the Northern District of Oklahoma, sitting by designation.

PORFILIO, Circuit Judge.

Plaintiff Heartsprings produces and sells books, pamphlets and educational materials designed primarily to teach children to resolve conflicts nonviolently. Defendant Heartspring runs a school in which physically disabled children are taught basic life skills such as dressing, bathing, and eating. Plaintiff claims defendant's use of the name "Heartspring" is likely to cause consumers to confuse defendant Heartspring's services with plaintiff Heartsprings' materials in violation of § 43(a) of the Lanham Act.[1] After considering the parties' cross motions for summary judgment, the district court concluded no likelihood of confusion exists and granted summary judgment for defendant Heartspring. Plaintiff Heartsprings appeals. We affirm.

---

[1] Section 43(a) of the Lanham Act reads in its relevant part:

> Any person who, on or in connection with any goods or services, or any container for goods, uses in commerce any word, term, name, symbol, or device, or any combination thereof, or any false designation of origin, false or misleading description of fact, or false or misleading representation of fact, which – (A) is likely to cause confusion, or to cause mistake, or to deceive as to the affiliation, connection, or association of such person with another person, or as to the origin, sponsorship, or approval of his or her goods, services, or commercial activities by another person . . . shall be liable in a civil action by any person who believes that he or she is or is likely to be damaged by such act.

15 U.S.C. § 1125(a).

The Parties

We begin with a brief description of the parties and the events leading to the current action.[2] Plaintiff Heartsprings is a for-profit Arizona corporation created in March 1991. Plaintiff's products consist primarily of printed materials, such as books, pamphlets, and comic books, designed to help children acquire better relationships in life, school, and the community. Plaintiff actively markets these products under the prominent titles of "PATHWAYS TO RESILIENCY," "STORY WORKBOOK," and "PEACEBUILDERS." *See, e.g.*, Figure 1.

Each of plaintiff's titled publications discusses a specific topic (e.g., "I bring peace to Tucson."). These individual topics are organized under separate "segments" (e.g., "Social Competence"), and the segments are further organized into separate titled programs (e.g., "STORY WORKBOOK"). Plaintiff generally seeks sponsors to support each topic publication it produces and will print a sponsor's corporate logo on the cover of the supported publication in exchange for the sponsor's contribution. *See, e.g.*, Figure 1. Past sponsors include Pizza Hut, Delta Airlines, The Arizona Daily Star, and Desert Hills Center for Youth & Families.

Defendant Heartspring is a private, non-profit organization based in Wichita, Kansas. Defendant operates a residential school solely for physically disabled children.

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[2] With the sole exception of likelihood of confusion, the parties do not dispute the facts in this case. We therefore draw the facts which follow, and the underlying facts used to determine likelihood of confusion, from the record.

Prospective students submit to an extensive diagnostic screening process, and children suffering from psychological ailments are referred elsewhere. The cost of defendant's services ranges from $90,000 to $150,000 per year. Defendant Heartspring also runs a number of outpatient programs, which diagnose disabled children, provide referrals, and provide parents with information about their child's educational rights.

Defendant originally operated under the name "Institute of Logopedics." In Spring 1992, however, defendant decided the word "logopedics" was unclear to the public and the word "institute" had unpleasant connotations which "did not reflect [defendant's] focus of helping children gain independence and better integrate into their communities." In search of a name to invoke "more positive feelings towards children," defendant recruited an advertising agency to compile a list of 50 to 60 prospective names. Defendant submitted the list to its Board of Trustees, and each board member voted on the names he or she liked best, generating a short list, which was in turn submitted to a series of focus groups. Using information obtained from the focus groups, defendant tentatively selected the name "Heartspring." At defendant's request, an intellectual property attorney conducted a trademark search. Because plaintiff had not registered its own trade name, however, the search did not reveal plaintiff's use of the name "Heartsprings." Defendant subsequently changed its corporate name to "Heartspring" and spent nearly $200,000 promoting its new identity. Defendant attempted to register the name as a service trademark for a "non-profit school for disabled

children," but plaintiff Heartsprings filed a notice of opposition, spawning the current suit.

Applicable Law

The district court granted summary judgment for defendant Heartspring on the ground no likelihood of confusion exists. We must affirm the district court's order if the record reveals no genuine dispute of material fact and defendant Heartspring is entitled to judgment as a matter of law. Fed. R. Civ. P. 56(c) ("The judgment sought shall be rendered [if the record shows] that there is no genuine issue as to any material fact and that the moving party is entitled to a judgment as a matter of law."). A genuine issue of material fact exists if a reasonable fact finder could return a verdict for the non-moving party. *Anderson v. Liberty Lobby, Inc.*, 477 U.S. 242, 248 (1986). Plaintiff Heartsprings contends a genuine dispute of material fact remains on the issue of likelihood of confusion.

Likelihood of confusion is a question of fact we review for clear error. *Cardtoons, L.C. v. Major League Baseball Players Ass'n*, 95 F.3d 959, 967 (10th Cir. 1996); *see also Beer Nuts, Inc. v. Clover Club Foods Co.*, 805 F.2d 920, 923 n.2 (10th Cir. 1986) (discussing the circuit split regarding appropriate standard of review for likelihood of confusion and reaffirming Tenth Circuit's general rule of treating the issue as a question of fact subject to review for clear error). In this case, the district court found consumers were unlikely to confuse the two marks at issue. If this finding is not clearly erroneous, the plaintiff's claim fails. *Two Pesos, Inc. v. Taco Cabana, Inc.*, 505

U.S. 763, 769 (1992) ("[L]iability under § 43(a) requires proof of the likelihood of confusion."); *Jordache Enterprises v. Hogg Wyld, Ltd.*, 828 F.2d 1482, 1484 (10th Cir. 1987) (" 'Confusion occurs when consumers make an incorrect mental association between the involved commercial products or their producers.' " (quoting with approval *San Francisco Arts & Athletics, Inc. v. United States Olympic Comm.*, 483 U.S. 522, 564 (1987) (Brennan, J., dissenting))).

This court considers the following factors relevant to a determination whether a likelihood of confusion exists:

(a) the degree of similarity between the marks, including the marks' appearance, pronunciation, suggestion, and manner of display;

(b) strength or weakness of the plaintiff's mark;

(c) the intent of the alleged infringer in adopting its mark;

(d) similarities and differences of the parties' goods, services and marketing strategies;

(e) the degree of care likely to be exercised by purchasers of the goods or services involved; and

(f) evidence of actual confusion, if any.

See, e.g., Universal Money Ctrs., Inc. v. American Tel. & Tel. Co., 22 F.3d 1527, 1530 (10th Cir. 1994) (discussing factors). Some of these factors may prove more relevant than others, depending on the facts of each case; moreover, other cases may demand consideration of factors not mentioned here. *Jordache*, 828 F.2d at 1484. No one factor is dispositive, and the final determination of likelihood of confusion must be based on consideration of *all* relevant

factors. *Beer Nuts*, 805 F.2d at 925. In every case, however, the key inquiry is whether the consumer is "likely to be deceived or confused by the similarity of the marks." *Two Pesos*, 505 U.S. at 780. We turn now to the district court's treatment of the relevant factors.

The Marks' Degree of Similarity

In evaluating the degree of similarity between marks, we consider the marks as they are encountered by the consumer in the marketplace and examine them on three levels: sight, sound, and meaning. *First Sav. Bank v. First Bank Sys., Inc.*, 101 F.3d 645, 653 (10th Cir. 1996). Each mark must be considered as a whole. *Universal*, 22 F.3d at 1531. Even if the trade names are similar, the likelihood of confusion is reduced if the two trademarks, taken as a whole, are visually distinct. *Id.*; *First Sav. Bank*, 101 F.3d at 653.

The district court concluded this factor favored plaintiff because of the virtual identity of trade names, but only slightly. Taking into account the visual differences of the parties' respective trade names, the court concluded "[t]his factor does not weigh in plaintiff's favor as much as would first appear."

Plaintiff Heartsprings argues the district court's analysis is an improper " 'side-by-side' " comparison of the marks. *Universal*, 22 F.3d at 1531 ("In evaluating similarity, we must not engage in a 'side-by-side' comparison. Rather, the court must determine whether the alleged infringing mark will be confusing to the public when singly presented." (citations omitted)). Plaintiff contends the virtual identity of the two names, which

differ only by a single "s," mandates a finding strongly in favor of plaintiff on this factor.

We find plaintiff's argument unpersuasive. First, *Universal* does not prohibit comparison of the parties' marks; it prohibits consideration of differences so minuscule they are only detectable via a side-by-side comparison. *See, e.g., Universal*, 22 F.3d at 1531 (comparing the visual presentations of the two marks at issue); *Beer Nuts*, 805 F.2d at 926 ("The presence of the smaller [defendant's] trademark is not enough to eliminate the likelihood of confusion in this case where the products and their marks are similar because consumers typically do not engage in side by side comparison of [inexpensive] products."). Second, because we must consider the parties' trademarks in their entirety as they are experienced by consumers in the marketplace, we are not free to focus solely on name similarity. Plaintiff's proffered analysis therefore runs against precedent.

The district court's conclusion on this factor is amply supported by the record. Plaintiff uses the trade name "Heartsprings, Inc." primarily for identification, not marketing, purposes. The trade name normally appears only on the inside of plaintiff's publications or is printed in a small, regular font at the bottom of its advertising materials in connection with copyright notices and mailing addresses. *See* Figures 2, 4. Instead of actively marketing its products under the name "Heartsprings," plaintiff publishes its materials under prominent titles that do not include or refer to its mark. *See* Figures 1, 3. In contrast, defendant's trade name "Heartspring" is consistently presented in stylized block lettering with a purple and teal heart logo, and this design is prominently displayed

throughout defendant's correspondence and promotional materials. *See* Figures 5, 6. As this record shows, plaintiff's and defendant's use and presentation of their respective trade names bear no similarity beyond the obvious sameness of spelling and clearly support the district court's conclusion the marks at issue in this case "are somewhat visually distinct." *See* Figures 1-6. Accordingly, the district court did not err by declining to weigh this factor firmly in plaintiff's favor.

Strength or Weakness of Plaintiff's Mark

To determine the relative strength of plaintiff's trademark, we place the mark in one of five categories of increasing distinctiveness and strength: (1) generic; (2) descriptive; (3) suggestive; (4) arbitrary; or (5) fanciful. *Two Pesos*, 505 U.S. at 768. We have defined these terms as follows:

> A generic term is a term used to describe the relevant type or class of goods. It is the weakest mark and cannot become a trademark under any circumstances. A descriptive term describes a characteristic of a product or service. . . . The third, and stronger, mark is the suggestive mark, which suggests rather than describes a characteristic of the product and requires the consumer to use imagination and perception to determine the product's nature. Finally, the arbitrary or fanciful mark is the strongest mark. An arbitrary mark has a common meaning unrelated to the product for which it has been assigned, such as APPLE when applied to computers, while a fanciful mark, such as KODAK or EXXON, signifies nothing but the product.

First Sav. Bank, 101 F.3d at 654-55 (citations omitted). The district court found plaintiff Heartsprings' mark to be "suggestive and relatively strong," and therefore weighed this factor in plaintiff's favor.

Plaintiff Heartsprings argues the district court improperly characterized "Heartsprings" as merely suggestive and contends the mark is arbitrary and therefore "entitled to the strongest form of protection." "While HEARTSPRINGS fosters a particular connotation," plaintiff reasons, "it in no way suggests Plaintiff's educational services. Thus, this factor weighs even more strongly in Plaintiff's favor than indicated by the District Court."

We agree with the district court's conclusion plaintiff's mark is suggestive, not arbitrary. To qualify as arbitrary, a mark must have "a common meaning unrelated to the product for which it has been assigned, such as APPLE when applied to computers." *First Sav. Bank*, 101 F.3d at 655. "Heartsprings" does not have a common meaning and therefore cannot be considered arbitrary. The word, however, *is* highly suggestive. Plaintiff admits it selected the name "to convey emotional characteristics of family and child life rather than problems, that would be aimed at 'wellness' rather than problems, and that would suggest 'springing forth' and be 'pro-active.' " The connotations for which plaintiff chose its name clearly "suggest[ ] rather than describe[ ] a characteristic of the [plaintiff's] product and require[ ] the consumer to use imagination and perception to determine the product's nature." *Id.* at 654. We therefore find no error in the district court's classification of plaintiff's mark as suggestive.

The Intent of the Alleged Infringer in Adopting its Mark

If an alleged infringer adopted its mark for the purpose of deriving benefit from a plaintiff's existing mark, this intent weighs firmly in the plaintiff's favor. *Universal*, 22 F.3d at 1532 ("The proper focus [remains] whether defendant had the intent to derive benefit from the reputation or goodwill of plaintiff."). Conversely, if the evidence indicates a defendant did not intend to derive benefit from a plaintiff's existing mark, this factor weighs against the likelihood of confusion. *First Sav. Bank*, 101 F.3d at 655. The district court found "there is no evidence that defendant intended to take advantage of plaintiff's having a similar name" and concluded "defendant is relying on its own goodwill and reputation, and not that of plaintiff." Accordingly, the district court weighed this factor in defendant Heartspring's favor. Plaintiff Heartsprings raises no specific objection to this finding and we find no error. Even in the light most favorable to plaintiff, the evidence shows defendant Heartspring took care in selecting and checking its new name. The district court's conclusion is therefore well-supported by the record.

Marketing Similarities and Differences

The marketing practices of the parties are particularly relevant in a trademark infringement case because these practices directly impact the way in which consumers experience the parties' respective marks. "The greater the similarity between the products and services, the greater the likelihood of confusion." *Universal*, 22 F.3d at 1532. Similarly, the greater the degree of overlap in the

marketing approaches of the two entities, the greater the likelihood of confusion. *Id.*

The record shows plaintiff Heartsprings actively markets its products to school districts, government agencies, and military personnel. The plaintiff participates in seminars and conventions geared toward violence prevention, such as meetings of the National Association of Prevention professionals. Although plaintiff prepares and sells educational materials for use by schools, military bases, and parents, it does not run a school of its own. The plaintiff's products take the form of educational stories which illustrate methods of avoiding violent confrontations or effecting conflict resolution without resort to violence. Although plaintiff seeks sponsors to support its publications, its Sponsorship Agreements resemble advertising and promotional agreements more than charitable contributions.

Defendant Heartspring's primary business is the operation of a single residential school for physically disabled children. The school focuses on teaching these children basic life skills, "such as the ability to cross a street, walk down a sidewalk, cook, dress themselves, go to the grocery store or ride a bus." The defendant focuses its marketing efforts on "people who contact children with disabilities." It advertises at annual conventions attended by persons who deal with disabled children, like the National Society for Autism. The defendant advertises in *Exceptional Parent Magazine* and sends direct mailings to the magazine's subscribers. Defendant Heartspring also targets educational consultants who provide parents of disabled children with guidance in finding appropriate educational programs. Defendant actively

solicits charitable donations from private parties, foundations, and civic associations and groups.

On this record, the district court found "[t]he differences between the parties' products far outweigh the similarities . . . and militate against a finding of likelihood of confusion." Defendant Heartspring, the court reasoned, markets basic skills training to a specialized population, the physically handicapped, whereas plaintiff Heartsprings markets publications devoted to nonviolent training for use with the general child population."Thus," the court concluded, "the parties are not competitors and do not provide products for the same groups of consumers."

Plaintiff Heartsprings contends the district court has made "subtle distinctions" between the parties' marketing practices which are inappropriate at the summary judgment stage. This argument is unpersuasive. Although we are required to view the evidence in the light most favorable to the nonmoving party, we must not refrain from examining the evidence altogether. The record shows plaintiff and defendant operate in distinctly different markets, sell distinctly different products, and contact, for the most part, very different people in their marketing efforts.[3] Consequently, the district court did

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[3] Plaintiff contends, even if the end users of the parties' services are different, the parties solicit donations and/or sponsorships from the same charitable market, indicating a likelihood of confusion.As its sole evidence of overlap within the donor market, plaintiff cites both parties' efforts to obtain funding from the same Wichita-based family. This single incident, however, is analogous to anecdotal evidence of actual

not clearly err by taking note of these product and marketing differences and weighing this factor in favor of defendant.

Consumer's Degree of Care

A consumer exercising a high degree of care in selecting a product reduces the likelihood of confusing similar trade names. *Universal*, 22 F.3d at 1533. The district court found consumers exercise a high degree of care in selecting defendant Heartspring's services. The cost of defendant's residential school is substantial, and defendant admits only students with severe physical disabilities. Consumers of those services must be willing to entrust their physically disabled children to defendant's care and supervision at a significant cost. Based on these facts, the district court concluded "the high degree of care needed by consumers purchasing the [defendant's] goods and services . . . makes confusion between the parties' marks and names unlikely." The district court therefore weighed this factor in defendant's favor. We find no clear error in this analysis.

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confusion, which, standing alone, is de minimis and does not indicate likelihood of confusion. *Universal Money Ctrs., Inc. v. American Tel. & Tel. Co.*, 22 F.3d 1527, 1535. At any rate, the record demonstrates, even within the donor market, the parties operate in relatively different spheres. The plaintiff tends to seek sponsorships from for-profit corporate entities (e.g., Pizza Hut), and defendant tends to seek donations from non-profit charitable institutions (e.g., the Society for the Preservation and Encouragement of Barber Shop Quartet Singing in America). Thus, the likelihood of confusion, even within the donor market is slim.

Evidence of Actual Confusion, if Any

Although not necessary to a § 43(a) claim, evidence of actual confusion within the marketplace is strong evidence of a likelihood of confusion. *Universal*, 22 F.3d at 1534. To be relevant, however, such evidence should demonstrate actual confusion among consumers within the marketplace. *Coherent, Inc. v. Coherent Tech., Inc.*, 935 F.2d 1122, 1126 (10th Cir. 1991). In its brief, plaintiff offers the following incidents as evidence of actual confusion:

> Heartsprings' Founder, Dr. Embry, testified that after he appeared before two Kansas Legislative Committees, someone asked whether he was connected with Heartspring in Wichita. Likewise, after a meeting with an aide to Senator Dole in Washington, the aide asked how Dr. Embry was involved with Heartspring in Wichita. After an article about a [Society for the Preservation and Encouragement of Barber Shop Quartet Singing in America] local fund raiser mentioned Defendant as the [Society's] national charity, Dr. Embry's travel agent and his accountant both called and professed ignorance of Plaintiff's having a fund raiser. Finally, Michael Krupnick, Plaintiff's President, testified that a friend had seen the article and asked what Plaintiff was doing in Kansas.

The district court found this evidence to be of "little weight" because the evidence is anecdotal and indicates only "isolated instances of possible confusion." *Jordache*, 828 F.2d at 1487 ("[W]hile customer enquiry evidence is admissible and relevant, standing alone with no other evidence it is insufficient proof of actual confusion."). Further, the court noted, the plaintiff's proffered evidence

does not indicate confusion among *consumers*, only random acquaintances, and therefore is de minimis. *Universal*, 22 F.3d at 1535 (isolated instances of actual confusion are de minimis and insufficient to establish a genuine issue of material fact). Accordingly, the district court weighed this factor in defendant's favor. We find no error in this analysis.

All Relevant Factors Considered as a Whole

As we emphasized before, all relevant factors must be weighed to determine the likelihood of confusion. *See Beer Nuts*, 805 F.2d at 925. Because no single factor is dispositive, even if the district court incorrectly analyzes one or more factors, a genuine dispute of material fact will not exist if all relevant factors, properly analyzed and considered together, nonetheless indicate consumers are not likely to be confused. *See, e.g., Universal*, 22 F.3d at 1527 (although the appropriate standard of review compelled the appellate court to assume the existence of actual confusion, all factors, when considered together, nonetheless failed to indicate a likelihood of confusion).

The district court noted that the virtual identity between the parties' trade names and the strength of plaintiff's suggestive name would indicate a likelihood of confusion. In the court's view, however, these two factors are insufficient to indicate a likelihood of confusion when the other relevant factors are considered. Accordingly, the court held "no reasonable fact-finder could conclude that a likelihood of confusion exists, and summary judgment is therefore appropriate for the defendant."

This conclusion is well supported by the record. As the district court found, plaintiff Heartsprings' name is not prominently presented to the public and is not presented in a uniform stylized logo, as is defendant Heartspring's name. The evidence clearly indicates defendant Heartspring did not choose its name based on a desire to associate itself with plaintiff's mark or benefit from plaintiff's goodwill or reputation. The parties offer distinctly different products and services and conduct different marketing campaigns, aimed at different portions of the public. The high degree of care consumers are likely to exercise in selecting defendant's unique and expensive services further reduces the possibility of consumer confusion between plaintiff's and defendant's marks. Furthermore, there is no evidence of actual confusion within the consuming public. Beyond the virtual identity between the parties' names and the fact the parties conduct business within the very broad category of products for children, there is little overlap between the parties' products, services or marketing strategies. On this record, we cannot find clear error in the district court's failure to find a likelihood of confusion; indeed, we have affirmed a similar conclusion based on an analogous, but more compelling, record. *See Coherent*, 935 F.2d at 1125 (both parties manufactured related laser products, both parties sold their products to the U.S. government, and both parties were listed in the Laser Focus Buyers' Guide). Summary judgment for defendant Heartspring is therefore appropriate, and the district court judgment is **AFFIRMED**.

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Figure 1. Front cover, plaintiff Heartsprings' publication, "Pathways to Resiliency: I help build peace in ___."

Figure 2. Inside cover, plaintiff Heartsprings' publication, "Pathways to Resiliency: I help build peace in _____."

Figure 3. Front cover, plaintiff Heartsprings' publication, "PeaceBuilders: Action Guide."

Figure 4. Inside cover, plaintiff Heartsprings' publication, "PeaceBuilders: Action Guide."

Figure 5. Defendant Heartspring's advertisement from ***Exceptional Parent***, March 1993 at 87.

Figure 6. One of defendant Heartspring's promotional brochures.

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pathways to resiliency

For K-5 children and the adults who love them

"I help build peace in ____"

Write in name of city

story
A workbook to help children create peace
in their homes, in their schools, and in their communities

Produced in association with

Pizza Hut. Desert Hills Center For Youth & Families PEPSI

Published and supported by The Arizona Daily Star

Figure 1. Front Cover, plaintiff Heartsprings's publication, "Pathways to Resiliency: I help build peace in _____."

"**VIOLENCE** is learned, and so is positive behavior. If communities, schools, families and individuals reinforce the positive behavior of children, then there will be less need for law enforcement as children mature. The principles in this book, *I help build peace . . .* , have been shown to reduce the risk of juvenile delinquency and drug abuse. The more children who use it, the more child-friendly our community becomes.

– Elaine Hedtke, Chief of Police, City of Tucson

PEACE begins with loving relationships. We either learn to cooperate with each other, as *I help build peace . . .* so wisely teaches, or suffer the terrible consequences.

– Robert Schwebel, Ph.D., newspaper columnist, author of *Saying No Is Not Enough* and *A Guide to a Happier Family*"

I help build peace . . . is a program developed and managed by Heartsprings, Inc., P.O. Box 12158, Tucson, AZ 85732 • Phone (602) 322-9977 • FAX (602) 322-9983. This book and program are part of a larger series-in-progress called *Pathways to Resiliency.*

Additional copies: Individual copies of *I help build peace . . .* , altered to work in any community, may be purchased for $2.95 plus 55¢ for postage and handling ($3.50 total) by check to the above address. Community-wide versions of the program are available.

Figure 2. Inside Cover, plaintiff Heartsprings's publication, "Pathways to Resiliency: I help build peace in _____."

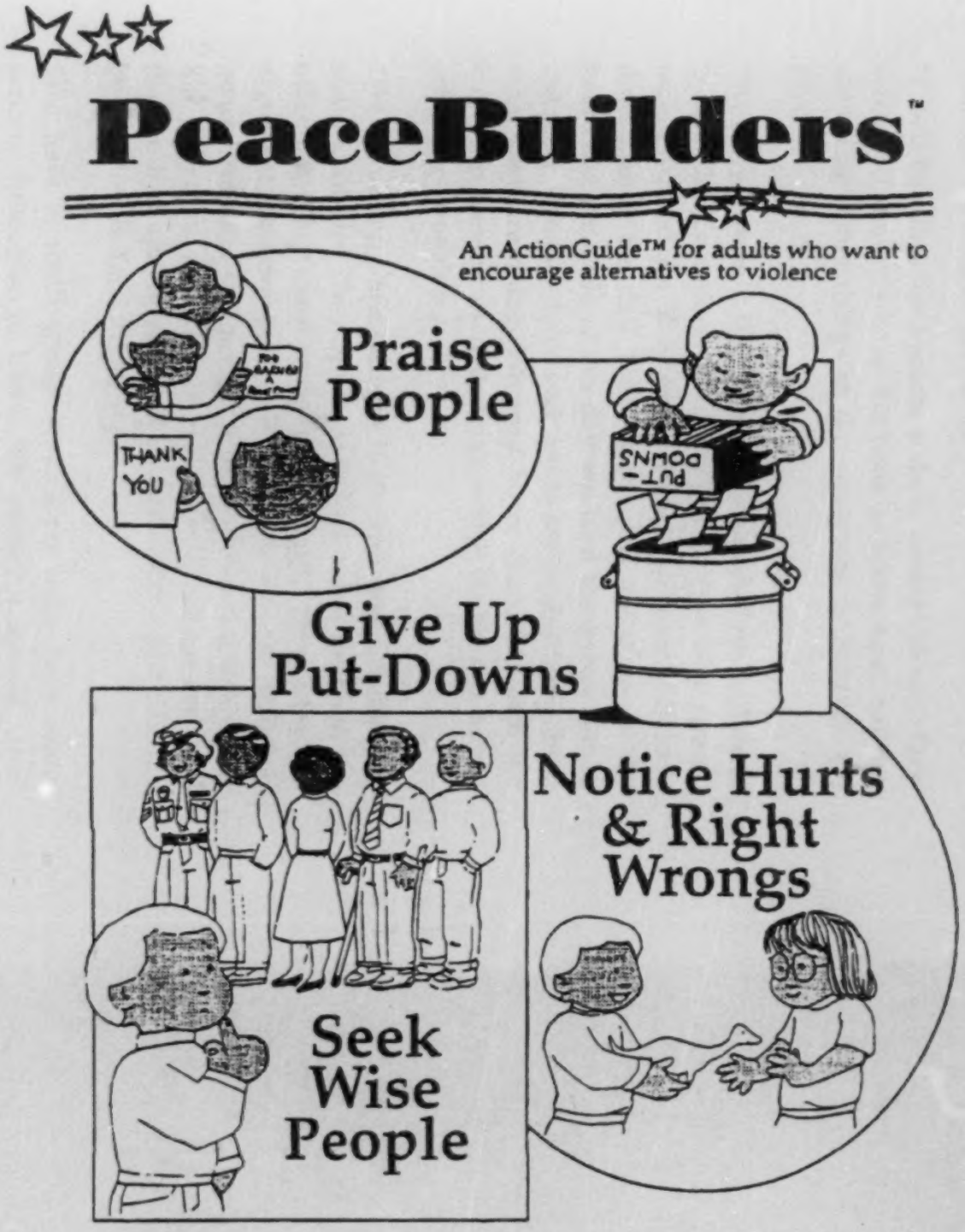
PeaceBuilders™
An ActionGuide™ for adults who want to encourage alternatives to violence
Praise People
THANK YOU
PUT-DOWNS
Give Up Put-Downs
Notice Hurts & Right Wrongs
Seek Wise People
pathways to resiliency
Teaching social, emotional and thinking skills for K through 5

Figure 3. Front Cover, plaintiff Heartsprings's publication, "PeaceBuilders: Action Guide."

Comments from people about using PeaceBuilders . . .

B.K., Teacher, Keen Elementary

"Peace-Building has become a daily concept in our classroom. All the kids have the book at home now, and we are doing many things in the classroom to enhance the program.

"We have put up a We Are PeaceBuilders Bulletin Board. During the journaling time, kids get to write on a special form I printed up. They praise something other kids have done during the day. They sign it and put it up on the board. At the close of the day, we read the praise letters out loud. The kids have such pride and enthusiasm about what they are doing. We send home the notes with the kids who were praised that day, which builds our home-school relationship.

"We are seeing some changes in the children. Let me give some examples. Two of our kids had a real problem the other day. They came up to me and said, 'We got into an argument, but we solved it together. We are building peace.' Another kid gave a massive put-down to another kid yesterday. After school, he came up to me and said that he had apologized to the other child – just like the books models for kids to do.

"We have a small group of children who have some serious difficulties at home. We started a special afternoon-school group for them to use the principles from the 'I Help Build Peace' book. We role-play giving praise, noticing hurts and reducing the use of put-downs. All the parents agreed to this, and the kids are still volunteering

to stay after school after two weeks. That indicates something about how important it is to them.

"Those changes haven't happened overnight. The book and materials said it would take a bit of time, yet we are seeing some changes already in two weeks. The kids are so enthusiastic about it, we are almost tired of hearing about building peace."

J.G., Teacher, Wright Elementary

" 'I Help Build Peace' came at a perfect time. We had some problems at playground [*Which studies show is the training area for acts of serious violence*] and other places with kids' aggression. After the kids started to read the books, they began to recognize that small things they do keep cool or make things worse. They began to speak up what they could do at school, at home, and even the world. The material stimulated some good discussion.

"Out of this, we created a PeaceBuilder award for coming off the playground. Every day, kids nominate kids who did something to build peace on the playground. They write down what happened, and sign it, along with witnesses. As the teacher, I validate the note.

"We created a chart, made from bits of the chart in the books. Every child has his or her name up, along with the praise words. When a child receives a note, a star gets put up by the child's name. After ten stars, a child earns 30 minutes' extra recess – which is logically connected with what they are learning about. This system is making a big difference in the kids' behavior."

M.P., Parent, Linewater Elementary

"A few days ago, we went to the grocery store. Without any prompting, my 8-year-old boy brought in the groceries. I was amazed. I asked him why. He said he was earning his peace points. Later we had a really good talk about using put-downs in our family. For the first time, my son actually understood how and why those bad comments make things worse between us. He is so intent on doing things to make our lives and the lives of others better. I have never seen him so absorbed in any book before. Whatever is in this book, I want more of it."

Teacher, Wheeler Elementary

"The books are wonderful. I realized my kids really didn't know how to praise each other or their families, even though I do it all the time. I saw what it did for my own daughter, and I made a list of praise sentences for my students to take home."

Counselor, Rose Elementary

"We are using the techniques from the books in our lunchroom. What a difference."

Acknowledgements: A special thanks to Betty Baker for her contributions. Development of this manual was made possible in part by funds from the Centers for Disease Control and Prevention.

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P.O. Box 12158, Tucson, AZ 85732 • PH: (602) 322-9977 • FAX (602) 322-9983. PeaceBuilders, Pathways to Resiliency and Heartsprings, Inc. are trademarks of Heartsprings, Inc.

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Figure 4. Inside Cover, plaintiff Heartsprings's publication, "PeaceBuilders: Action Guide."

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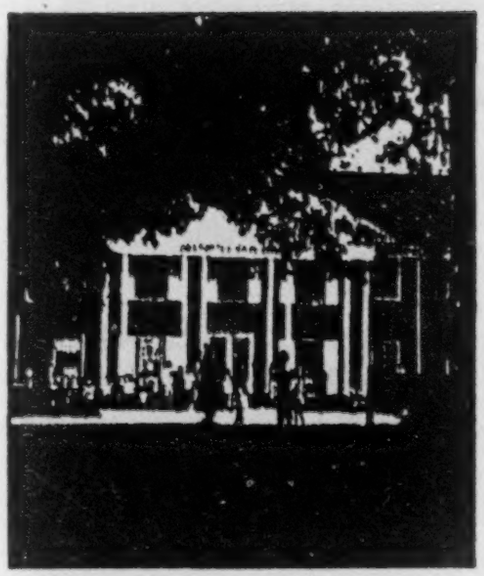
A New Name For Excellence
...Heartspring School
When the Institute of Logopedics first began its mission of serving children 60 years ago, most of those children had speech and hearing difficulties. The name "logopedics" was chosen because it meant the treatment of speech and hearing disorders.
However, our mission has expanded over the years. We have become leaders in providing integrated lifeskills learning programs for children with multiple disabilities. For every child, we assign a team of professionals dedicated to serving his or her individual needs.
Children receive the help and encouragement they need. Our goal is to help them reach for the potential within themselves...and many far exceed even their family's expectations. Students thrive in an atmosphere of love, where their accomplishments are a cause for celebration.
Because we believe our name should better reflect the atmosphere of care and hope we offer the children who turn to us, we are introducing a new name. You have known us for nearly 60 years as the Institute of Logopedics. Now, we invite you to think of us as:
HEARTSPRING
A LIFESKILLS LEARNING CENTER
2400 JARDINE DRIVE WICHITA KANSAS 67219-4699
316 262-8271 800 937 4644
FORMERLY THE INSTITUTE OF LOGOPEDICS

Figure 5. Defendant Heartspring's advertisement from ***Exceptional Parent***, March 1993 at 87.



A Place For Children

Nestled on a tree-lined 40-acre campus in northeast Wichita is a large red brick building. At first, it has the look of a library or a college administration building. An appropriate look, because inside, the building is filled with the spirit of learning.

The difference is that here, nearly every brightly painted hallway...every innovative classroom...every therapy session is focused on children. Over the years, hundreds of local children with special needs have turned to Heartspring for help.

Every day, Wichita children burst through our doors expecting to receive special attention. They find it here, where caring professionals believe every child has the potential to learn...to grow...and to communicate with others.

Count on us ...

We're here to help children with all kinds of special needs. For more information about specific programs, call today. Early diagnosis can be the key to successful therapy.

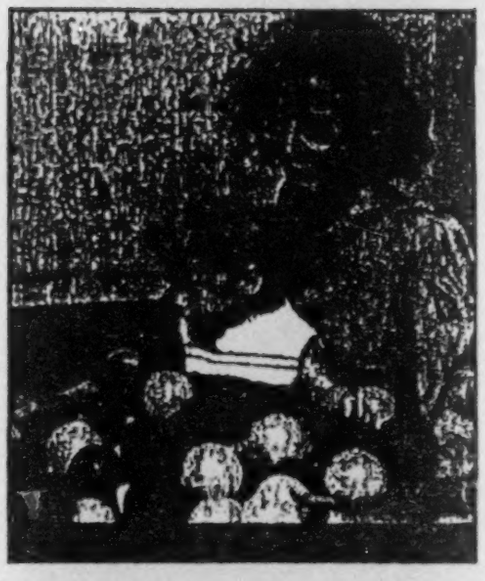
HEARTSPRING

A lifeskills learning center

2400 Jardine Drive Wichita • KS 67219-4699
316-262-8271

Formerly the Institute of Logopedics

Partial support of Heartspring's Assessment and Treatment Center is provided by United Way of the Plains.



BECAUSE EVERY CHILD

HAS THE

POTENTIAL TO LEARN

HEARTSPRING

Assessment and
Treatment Center

Figure 6. One of defendant Heartspring's promotional brochures.

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UNITED STATES COURT OF APPEALS
FOR THE TENTH CIRCUIT

HEARTSPRINGS, INC., Plaintiff-Appellant,	)	
v.	)	
HEARTSPRING, INC., a.k.a. Institute of Logopedics, Inc., Defendant-Appellee.	)	No. 97-3011

ORDER

Filed June 2, 1998

Before **PORFILIO**, and **EBEL**, Circuit Judges, and **BRETT**, District Judge.*

Appellant's petition for rehearing is denied.

The suggestion for rehearing en banc was transmitted to all of the judges of the court who are in regular active service as required by Fed. R. App. P. 35. As no member of the panel and no judge in regular active

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*The Honorable Thomas R. Brett, District Judge, United States District Court for the Northern District of Oklahoma, sitting by designation.

service on the court requested that the court be polled, the suggestion is also denied.

Entered for the Court
PATRICK FISHER, Clerk of Court

by: /s/ M. Talamas
Deputy Clerk

IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF KANSAS

HEARTSPRINGS, INC.,	)	
Plaintiff,	)	**Case No. 96-2285-JWL**
v.	)	
HEARTSPRING, INC., a/k/a INSTITUTE OF LOGOPEDICS, INC.,	)	
Defendant.	)	

MEMORANDUM AND ORDER

This trademark infringement suit involves plaintiff's claims against defendant for false designation of origin under the Lanham Act and common-law unfair competition. The matter is presently before the court on the parties' cross-motions for summary judgment. Because no reasonable fact-finder could conclude that defendant's use of its name and trademark creates a likelihood of confusion with plaintiff, the court denies plaintiff's motion for partial summary judgment regarding liability (Doc. #10) and grants defendant's motion for summary judgment (Doc. #14).

I. Facts[1]

Plaintiff Heartsprings, Inc. was incorporated in Arizona in 1991. Plaintiff creates and distributes materials for children concerning violence prevention. In that regard, plaintiff has created prevention programs for different children's age ranges, primarily involving story workbooks, with titles such as "I Help Build Peace" and "Path of the Warrior". Plaintiff also created workbooks for children of military personnel sent to Somalia, which were distributed on military bases. Plaintiff's workbooks contain the label "Pathways to Resiliency" on the cover. The materials produced by plaintiff generally contain the name "Heartsprings" only in connection with copyright information and plaintiff's address.

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[1] In responding to defendant's summary judgment motion, plaintiff ignored local rule 56.1, which states:

A memorandum in opposition to a motion for summary judgment shall begin with a section that contains a concise statement of material facts as to which the party contends a genuine issue exists. Each fact in dispute shall be numbered by paragraph, shall refer with particularity to those portions of the record upon which the opposing party relies, and, if applicable, shall state the number of movant's fact that is disputed. All material facts set forth in the statement of the movant shall be deemed admitted for the purpose of summary judgment unless specifically controverted by the statement of the opposing party. D. Kan. Rule 56.1. Plaintiff's response contained no fact section. Defendant urges the court to deem its statement of facts admitted. Because plaintiff has filed its own summary judgment motion, the court will consider plaintiff's statement of facts in determining whether a genuine controversy exists. Plaintiff's counsel is strongly admonished to follow the local rule in the future, however.

Defendant Heartspring is a private, non-profit organization located in Wichita, Kansas. Defendant operates a Residential School Program for children with severe disabilities such as autism, Down's syndrome, and mental retardation. Admission to this program requires that a child have multiple disabilities. Children with behavioral disorders stemming solely from psychological sources are referred elsewhere. The program costs from $90,000 to $150,000 per student per year. Defendant also operates an outpatient assessment and treatment center for children with developmental delays or disabilities and an audiological testing and intervention center for people with hearing loss.

Before January 1993, defendant was known as the Institute of Logopedics. Defendant decided to change its name because the meaning of "logopedics" was unclear and it didn't like the connotation of "institute". In seeking a name that would invoke positive feelings about children, defendant created a list of 50 to 60 names, a few of which were presented to focus groups. After "Heartspring" was chosen, an attorney's trademark search failed to reveal plaintiff's use of a similar name. Defendant adopted the new name and logo, which contained the name in purple block lettering with a purple and teal heart design. Defendant spent eight months and over $10,000 choosing its new name, and in 1993 and 1994 it spent almost $200,000 advertising its services to the public under the name.

On July 12, 1993, defendant applied for service mark registration for "Heartspring" with the United States Patent and Trademark Office. Defendant's application was published, and on April 4, 1994, plaintiff filed a notice of

opposition. The opposition proceedings were suspended upon the filing of the present suit on June 14, 1996.

II. Summary Judgment Standard

When considering a motion for summary judgment, the court must examine all of the evidence in the light most favorable to the nonmoving party. *Jones v. Unisys Corp.*, 54 F.3d 624, 628 (10th Cir. 1995). A moving party that also bears the burden of proof at trial is entitled to summary judgment only when the evidence indicates that no genuine issue of material fact exists. Fed. R. Civ. P. 56(c); *Anglemyer v. Hamilton County Hosp.*, 58 F.3d 533, 536 (10th Cir. 1995). If the moving party does not bear the burden of proof at trial, it must show "that there is an absence of evidence to support the nonmoving party's case." *Celotex Corp. v. Catrett*, 477 U.S. 317, 325, 106 S. Ct. 2548, 2554 (1986).

Once the movant meets these requirements, the burden shifts to the party resisting the motion to "set forth specific facts showing that there is a genuine issue for trial." *Anderson v. Liberty Lobby, Inc.*, 477 U.S. 242, 256, 106 S. Ct. 2505, 2514 (1986). The nonmovant may not merely rest on the pleadings to meet this burden. *Id.* Genuine factual issues must exist that "can be resolved only by a finder of fact because they may reasonably be resolved in favor of either party." *Id.* at 250, 106 S. Ct. at 2511. Summary judgment is not a "disfavored procedural shortcut;" rather, it is an important procedure "designed to secure the just, speedy and inexpensive determination of every action." *Celotex*, 477 U.S. at 327, 106 S. Ct. at 2555 (quoting Fed. R. Civ. P. 1).

III. Analysis

The Lanham Act imposes civil liability on any company that uses, in connection with goods or services, a term or symbol or "false designation of origin" that is "likely to cause confusion" regarding another company. 15 U.S.C. § 1125(a). Thus, the same "likelihood of confusion" test applies to a claim of false designation of origin under this section as to a claim for infringement of a registered trademark under 15 U.S.C. § 1114(a). *Amoco Oil Co. v. Rainbow Snow,* 748 F.2d 556, 558 (10th Cir. 1984). This test also governs plaintiff's common-law claim. *See Jordache Enters. v. Hogg Wyld, Ltd.*, 828 F.2d 1482, 1484 n.2 (10th Cir. 1987).

"The party alleging infringement has the burden of proving likelihood of confusion." *Id.* at 1484. Thus, plaintiff must demonstrate that defendant's use of the name "Heartspring" is likely to cause consumers to believe either that plaintiff is the source of defendant's services (direct confusion) or that defendant is the source of plaintiff's products and services (reverse confusion). *See Universal Money Ctrs. v. American Tele. & Telegraph Co.*, 22 F.3d 1527, 1530 (10th Cir. 1994), *cert. denied,* 115 S. Ct. 655 (1994). The necessary confusion could also result "from a mistaken belief in common sponsorship or affiliation." *Amoco Oil,* 748 F.2d at 558. "Confusion occurs when consumers make an incorrect mental association between the involved commercial products or their producers." *Jordache,* 828 F.2d at 1484.

In determining whether there is a likelihood of confusion between two trademarks or trade names, the court must consider the following factors: "(a) the degree of

similarity between the marks; (b) the intent of the alleged infringer in adopting its mark; (c) the relation in use and the manner of marketing between the goods or services marketed by the competing parties; (d) the degree of care likely to be exercised by purchasers; (e) evidence of actual confusion; and (f) the strength or weakness of the marks." *First Sav. Bank v. First Bank Sys., Inc.*, Nos. 95-3246, 95-3331, slip. op. at 16 (10th Cir. Nov. 27, 1996); *accord Universal Money*, 22 F.3d at 1530. "This list is not exhaustive. All of the factors are interrelated, and no one factor is dispositive." *Jordache*, 828 F.2d at 1484. The ultimate question in this case is whether defendant's use of the name "Heartspring" is likely to cause the public to believe thee is an affiliation between defendant and plaintiff. *See First Sav. Bank*, slip. op. at 16.

In the Tenth Circuit, likelihood of confusion is a question of fact. *Beer Nuts, Inc. v. Clover Club Foods Co.* (*Beer Nuts II*), 805 F.2d 920, 923 n.2 (10th Cir. 1986). The Tenth Circuit has stressed, however, that summary judgment may be granted in trademark infringement cases when appropriate:

> [C]ourts retain an important authority to monitor the outer limits of substantial similarity within which a jury is permitted to make the factual determination whether there is a likelihood of confusion as to source. Though likelihood of confusion is frequently a fairly disputed issue of fact on which reasonable minds may differ, the issue is amenable to summary judgment in appropriate cases.

Universal Money, 22 F.3d at 1530 n.2 (quoting *Warner Bros. v. American Broadcasting Cos.*, 720 F.2d 231, 246 (2d Cir. 1983)).

Degree of Similarity

With respect to the first "likelihood of confusion" factor, the Tenth Circuit has stated as follows:

> The degree of similarity between marks is tested on three levels as encountered in the marketplace: sight, sound, and meaning. In evaluating similarity, we must not engage in a "side-by-side" comparison. Rather, the court must determine whether the alleged infringing mark will be confusing to the public when singly presented. Further, similarities between marks should be given more weight than differences.

Universal Money, 22 F.3d at 1530-31 (citations omitted). Defendant's name is virtually identical to that of plaintiff, distinguished only by the omission of the final letter "s". Thus, there is great similarity in the sight and sound of the names. Moreover, the names, chosen to connote positive, "warm and fuzzy" feelings, have similar meanings.

This factor does not weigh in plaintiff's favor as much as would first appear, however. A company trademark is to be considered as a whole. *Id.* at 1531. Defendant's name is generally presented in purple block lettering and accompanied by a purple and teal heart logo. Plaintiff's name is presented in ordinary type or, when used on letterhead or business cards, in a large script. Accordingly, the marks are somewhat visually distinct. *See First Sav. Bank*, slip. op. at 18 (noting apparent visual differences in marks containing similar words).

Intent of Defendant

The next factor concerns the intent of defendant in adopting its name and trademark. "[D]eliberate adoption of a similar mark may lead to an inference of intent to pass off goods as those of another which in turn supports a finding of likelihood of confusion." *Beer Nuts II*, 805 F.2d at 927. Mere knowledge of a similar mark, on the other hand, does not foreclose further inquiry. *Universal Money*, 22 F.3d at 1532. "The proper focus is whether defendant had the intent to derive benefit from the reputation or goodwill of plaintiff." *Jordache*, 828 F.2d at 1485.

This factor weighs in defendant's favor. There is no evidence that defendant intended to take advantage of plaintiff's having a similar name. In fact, the evidence indicates that, despite a diligent search, defendant did not even know of plaintiff's use. *See Universal Money*, 22 F.3d at 1531-32 (noting defendant's counsel's trademark search in consideration of intent factor). In addition, the fact that defendant spent considerable sums promoting its services under its new name strongly suggests that defendant is relying on its own goodwill and reputation, and not that of plaintiff. *See id.* at 1532; *see also First Sav. Bank*, slip. op. at 23-24 (lack of evidence of defendant's intent to benefit from other's reputation and evidence indicating defendant's intent to establish its own goodwill and reputation in the mark at issue weighed against a finding of likelihood of confusion).

Relation in Use and Manner of Marketing of Goods/Services

"The greater the similarity between the products and services, the greater the likelihood of confusion." *Universal Money,* 22 F.3d at 1532. Plaintiff argues that the parties' goods and services are similar because both parties target children (and their parents) generally and children with developmental problems particularly.

The differences between the parties' products far outweigh the similarities, however, and militate against a finding of likelihood of confusion. Defendant provides services for a particular group of consumers, i.e., children with severe physical disabilities. Plaintiff provides goods aimed at teaching violence prevention to *all* children within certain age ranges. Plaintiff's materials do address behavior modification, but only in the context of violence prevention; they do not address the types of basic skills training undertaken by defendant. Plaintiff does not produce goods intended for severely physically disabled children. Plaintiff contends that it does cater to developmentally disabled children in its products; for example, Dr. Dennis Embry, plaintiff's founder, testified by deposition that plaintiff has published materials for children with such conditions as attention deficit disorder, conduct disorders, and depression. Defendant, however, does not treat children with developmental disorders unless they result from physical disabilities. Thus the parties are not competitors and do not provide products for the same groups of consumers.[2]

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[2] In further support of its position, plaintiff points to the fact that some of its workbooks contain a drawing of a boy in a

The parties' goods and services are also marketed in different ways. Plaintiff notes that both parties generally promote themselves by way of newspapers, brochures, and direct mail. The marketing efforts of the parties are properly distinguished, however, by the parties' particular targets – educators, military personnel and parents generally for plaintiff, parents of disabled children for defendant.

Defendant also points out that plaintiff uses "Heartsprings" almost exclusively as a trade name to identify the corporate entity rather than as a trademark in connection with its products. Defendant is mistaken in its belief that plaintiff is therefore not entitled to statutory protection. *See Value House v. Phillips Mercantile Co.*, 523 F.2d 424, 425 n.2 (10th Cir. 1975) (precise difference between trademarks and trade names is immaterial because "the law protects against the appropriation of either upon the same fundamental principles"); 1 J. Thomas McCarthy, *McCarthy on Trademarks and Unfair Competition* § 9.01[2], [4] (3d ed. 1995) ("protection of business, corporate and professional names is subject to the same limitations and conditions as trademarks"; 15 U.S.C. § 1125(a) may be used to assert infringement of a trade name).

Plaintiff's predominant use of "Heartsprings" as its trade name may be considered as a factor weighing against a finding of likelihood of confusion, however. *See*

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wheelchair on their covers. It is clear, however, that the drawing, which also included children of various ethnic backgrounds, was intended to suggest diversity. In that way, the drawing lends further support to the conclusion that plaintiff intended its programs for *all* children.

1 McCarthy, *supra*, § 9.01[3] (because the basic issue is likelihood of confusion, it is important to consider whether the corporate name is known to the relevant class of consumers). Here, plaintiff's name is not before the consumer in any meaningful way. Instead, it is clear that plaintiff's products are identified by and promoted under the "Peace Builders" and "Pathways to Resiliency" labels. Accordingly, there is little likelihood of the public's confusing the goods and services offered by the parties.

The court concludes that this factor weighs strongly in favor of defendant.

Degree of Care

The fourth factor weighs heavily against a finding of likelihood of confusion because of the great care likely to be exercised by consumers in selecting plaintiff's goods and, in particular, defendant's services. Educators and parents would undoubtedly choose materials such as those produced by plaintiff more carefully than the average person chooses the usual consumer goods. Parents choosing treatment and education for severely disabled children must be particularly selective and sophisticated. The extremely high cost of defendant's services further supports defendant's position. With respect to this factor, the Tenth Circuit has stated:

> Buyers typically exercise little care in the selection of inexpensive items that may be purchased on impulse. Despite a lower degree of similarity, these items are more likely to be confused than expensive items which are chosen carefully.

Beer Nuts, Inc. v. Clover Club Foods Co. (*Beer Nuts I*), 711 F.2d 934, 941 (10th Cir. 1983); *see also Coherent, Inc. v. Coherent Technologies, Inc.*, 935 F.2d 1122, 1125 (10th Cir. 1991) (high degree of care where sophisticated persons purchased very expensive goods and services requiring exact specifications). The high degree of care needed by consumers purchasing the goods and services here makes confusion between the parties' marks and names unlikely.

Plaintiff argues that donors will exercise less care in making contributions to the parties. It may be true that a donor generally will not investigate the source of a request for a charitable contribution as vigorously as a consumer would determine the source of a particular product. It is significant here, however, that plaintiff does not appear to be a non-profit organization[3] like defendant that solicits donations from the general public. Rather, the evidence indicates that plaintiff seeks sponsorship for specific children's programs. It would seem that companies helping to fund programs produced by a for-profit corporation are far more likely to be certain of the programs' source than the typical charitable donor for whom the tax deduction might be the pivotal incentive. Thus, the fact that both parties solicit funds from non-consumers does not create a likelihood of confusion between the parties' marks or trade names.

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[3] The articles of incorporation for plaintiff do not indicate that plaintiff operates on a not-for-profit basis, nor has plaintiff alleged in any of its submissions that it is a not-for-profit entity.

Actual Confusion

"Actual confusion in the marketplace is often considered the best evidence of likelihood of confusion." *Universal Money*, 22 F.3d at 1534. "Nevertheless, evidence of some actual confusion does not dictate a finding of likelihood of confusion." *Id.* at 1535.

Plaintiff has submitted deposition testimony purportedly relating five instances of actual confusion. Dr. Embry testified that after he appeared before two Kansas legislative committees, someone asked whether he was connected with Heartspring in Wichita. Likewise, after a meeting with an aide to Senator Dole in Washington, the aide asked how Dr. Embry was involved with Heartspring in Wichita. After an article about a national barbership quartet association's local fundraiser mentioned defendant as the association's national charity, Dr. Embry's travel agent and his accountant both called and professed ignorance of plaintiff's having a fundraiser. Finally, Michael Krupnick, plaintiff's president, testified that a friend had seen the article and asked what plaintiff was doing in Kansas.[4]

Defendant argues that the testimony about these incidents constitutes inadmissible hearsay. Such evidence is admissible, however, because it is offered to show the declarants' then-existing state of mind. *Jordache*, 828 F.2d at 1487; *see also Armco, Inc. v. Armco Burgler Alarm Co.*, 693

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[4] Plaintiff also points to a document produced by the barbershop quartet group that mistakenly referred to defendant as "Heartsprings." This reference, however, likely a typographical error, does not show actual confusion by the group of defendant with plaintiff.

F.2d 1155, 1160 n.10 (5th Cir. 1982) (such testimony about customer inquiries is not hearsay because it is not offered to prove the truth of the matter asserted).

Nevertheless, defendant's evidence is entitled to little weight. The instances cited by plaintiff represent only isolated instances of possible confusion. Noticeably absent is any evidence of surveys conducted among potential consumers to determine actual confusion. *See Coherent, Inc.*, 935 F.2d at 1126; *Jordache*, 828 F.2d at 1487-88. The Tenth Circuit has stated:

> The better view would seem to be that while customer enquiry evidence is admissible and relevant, standing alone with no other evidence it is insufficient proof of actual confusion.

Jordache, 828 F.2d at 1487 (quoting 2 McCarthy, *supra*, § 23:2(B)). Moreover, plaintiff's evidence concerns random acquaintances and not consumers of the parties' products. The evidence of actual confusion is thus de minimis. "De minimis evidence of actual confusion does not establish the existence of a genuine issue of material fact regarding likelihood of confusion." *Universal Money*, 22 F.3d at 1535 (finding isolated instances of actual confusion to be de minimis).

Finally, plaintiff's evidence is double-edged – "[i]t may suggest confusion, but it may also suggest awareness of a potential difference." *Coherent, Inc.*, 935 F.2d at 1126 n.3. Accordingly, because plaintiff has failed to present credible evidence of actual confusion, this factor must be weighed in defendant's favor.

Strength of Marks

The relative strength of the marks here weighs in plaintiff's favor. "The stronger the mark, the more likely it is that encroachment on it will produce confusion." *First Sav. Bank*, slip. op. at 19. "At strong trademark is one that is rarely used by parties other than the owner of the trademark, while a weak trademark is one that is often used by other parties." *Universal Money*, 22 F.3d at 1533.

Terms fall into four categories, listed here from weakest to strongest: generic, descriptive, suggestive, and arbitrary or fanciful. *First Sav. Bank*, slip. op. at 22. "Heartspring" and "Heartsprings" are invented words, but their components project a certain meaning intended by the parties; thus, the marks are suggestive and relatively strong.

Summary

The names at issue here are very similar and represent strong marks, but the other factors outweigh those considerations. The parties are not competitors, and their products and services are dissimilar and geared toward distinct populations. Defendant provides very expensive services, the purchase of which requires an especially high degree of sophistication and care. In addition, plaintiff's trade name, "Heartsprings" has not been been placed before consumers in a meaningful way because plaintiff's products are generally identified by other labels. Finally, plaintiff has presented little evidence of actual confusion.

In *Coherent, Inc.*, the court upheld the district court's finding that no likelihood of confusion existed, even though the parties names were almost identical. 935 F.2d at 1125-26. The court noted that the defendant had adopted its name in good faith, the parties were not competitors, they marketed through different channels, and plaintiff's customers were likely to be careful buyers. *Id.* at 1125; *see also Beer Nuts II*, 805 F.2d at 925 ("[V]ery similar marks may not generate confusion as to the source of the products where the products are very different or relatively expensive."). In the same way here, the mere similarity between the names is not enough. No reasonable fact-finder could conclude that a likelihood of confusion exists, and summary judgment is therefore appropriate for defendant. *See Universal Money*, 22 F.3d at 1536 (affirming summary judgment where no likelihood of confusion existed as a matter of law).

IT IS THEREFORE ORDERED BY THE COURT THAT plaintiff's motion for partial summary judgment is denied.

IT IS FURTHER ORDERED THAT defendant's motion for summary judgment is granted, and plaintiff's claims are hereby dismissed.

IT IS SO ORDERED.

Dated this 16th day of December, 1996, at Kansas City, Kansas.

/s/ John W. Lungstrum
John W. Lungstrum
United States
District Judge

(2)

Supreme Court, U.S.
FILED
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No. 98-362

In The

Supreme Court of the United States

October Term, 1997

HEARTSPRINGS, INC.,

Petitioner,

v.

HEARTSPRING, INC., a/k/a
INSTITUTE OF LOGOPEDICS, INC.,

Respondent.

**On Petition For Writ Of Certiorari
To The United States Court Of Appeals
For The Tenth Circuit**

BRIEF IN OPPOSITION TO PETITION FOR WRIT OF CERTIORARI

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QUESTIONS PRESENTED

Respondent does not agree with the questions presented in the Petition for Writ of Certiorari. There is only one issue properly presented for review: Did the United States Court of Appeals for the Tenth Circuit err by employing a clear error standard of review, rather than the *de novo* review standard suggested by petitioner, to the District Court's finding there was no likelihood of confusion between the parties' respective trademarks?

PARTIES

Respondent Heartspring, Inc. has no parent or subsidiary companies.

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STATEMENT OF THE CASE

The petition does not accurately state the facts of this case. Petitioner implies the District and Circuit Courts below did not follow the summary judgment procedure set forth in prior Supreme Court precedent, and that there were uncontroverted facts before the District Court that precluded summary judgment. Neither of these allegations are true. At issue is whether the Tenth Circuit employment of the majority test and standard of review for determining "likelihood of confusion" in trademark disputes is proper.

Petitioner Heartsprings, Inc., incorporated in Arizona in 1991. It adopted HEARTSPRINGS and used it as a common-law service mark in a limited manner. Petitioner creates and distributes violence prevention programs and story workbooks for school children and children of military personnel sent overseas, with themes such as "I Help Build Peace" and "Path of the Warrior." These workbooks are entitled "Pathways to Resiliency." The name HEARTSPRINGS does not appear on the cover of these workbooks. In general, HEARTSPRINGS is only listed in these workbooks in connection with copyright and address information.

Respondent Heartspring, Inc. is a private, non-profit residential school in Wichita, Kansas caring for and training children with multiple severe disabilities such as autism and Down's Syndrome. The school does not treat children with behavioral disorders stemming from psychological sources. The program costs $90,000 to $150,000 per student per year.

In January, 1993, respondent decided to change its name from Institute of Logopedics (few persons knew what "logopedic" meant) and chose HEARTSPRING. A search by a trademark attorney did not reveal any prior conflicting marks and use commenced. Respondent sought to register its mark in the Patent and Trademark Office, the mark was passed by the trademark examiner and published for opposition. Petitioner opposed the registration and proceedings began. After the matter had been pending for almost a year before the Trademark Trial and Appeal Board (TTAB), petitioner filed suit in the District of Kansas, seeking both an injunction and significant damages. The TTAB case was stayed pursuant to statute.

Both parties represented to the District Court the matter was ripe for summary judgment and cross motions were filed. For the reasons set forth in its decision, found in the Appendix to the petition, the District Court determined that no genuine issue as to any material fact existed, found that no likelihood of confusion of the respective trademarks existed and that respondent was thus entitled to judgment as a matter of law. Petitioner's request for reconsideration was denied.

The petitioner appealed to the Court of Appeals for the Tenth Circuit. Its decision is also found in the petition's Appendix. The Tenth Circuit revisited likelihood of confusion as a question of fact and reviewed the decision for clear error. Finding none, the Tenth Circuit affirmed. It denied a motion for reconsideration and/or rehearing *en banc*.

ARGUMENT

The Lanham Act prohibits companies from using a term, symbol or "false designation of origin" that is "likely to cause confusion" regarding another company. 15 U.S.C. § 1125(a). This "likelihood of confusion" test governs both the statutory and common law claims of petitioner.

In response to respondent's motion for summary judgment, and in order to submit a submissible case on the violations alleged in its Complaint, petitioner needed to provide the District Court with facts from which it could infer a "likelihood of confusion." Thus, petitioner was required to establish a submissible case that respondent's "use of the name 'Heartspring' is likely to cause consumers to believe either that [petitioner] was the source of [respondent's] services (direct confusion) or that [respondent] is the source of [petitioner's] products and services (reverse confusion). Appendix to Petition at A34. As the District Court stated the test, "Confusion occurs when consumers make an incorrect mental association between the involved commercial products or their producers." Appendix to Petition at A34 (citing *Jordache Enters. v. Hogg Wyld, Ltd.*, 828 F.2d 1482, 1484 (10th Cir. 1987)). This objective test was the proper inquiry to determine whether likelihood of confusion was present.

Petitioner argues, citing *Anderson v. Liberty Lobby, Inc.*, 477 U.S. 242, 249 (1986), that the District Court impermissibly weighed the evidence in finding no likelihood of confusion and the Tenth Circuit improperly used the clearly erroneous standard when it should have used

a *de novo* standard. Contrary to petitioner's protestations, the courts below did follow *Anderson* and its progeny in concluding respondent was entitled to summary judgment as a matter of law. See Appendix to Petition at A5 and A33, where the courts below expressly mention *Anderson*. At issue is whether the courts below should have treated a fact-intensive component of their deliberations, the likelihood of confusion of marks, as a fact question.

Petitioner urges adoption of a minority test for likelihood of confusion that differs little from the test employed by the majority of circuits. In the Tenth Circuit, likelihood of confusion is a question of fact, reviewed for clear error. *Cardtoons, L.C. v. Major League Baseball Player's Ass'n*, 95 F.3d 959, 967 (10th Cir. 1996). Likelihood of confusion within the Tenth Circuit is dependent upon the plurality of factors set forth in *Universal Money Ctrs., Inc. v. America Tel. & Tel. Co.*, 22 F.3d 1527, 1530 (10th Cir. 1994). As in the Tenth Circuit, likelihood of confusion is treated as a question of fact subject to a clearly erroneous standard of review in the First, Third, Fourth, Fifth, Seventh, Eighth, Ninth, Eleventh and District of Columbia Circuits.[1] The Second, Sixth and Federal Circuits treat

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[1] *See, e.g., Keebler Co. v. Rovira Biscuit Corp.*, 624 F.2d 366, 377 (1st Cir. 1980); *American Home Prods. v. Barr Labs.*, 834 F.2d 368, 370 (3d Cir. 1987); *Resorts of Pinehust v. Pinehurst Nat. Corp.*, 148 F.3d 417 (4th Cir. 1998); *Pizzeria Uno Corp. v. Temple*, 747 F.2d 1522, 1526 (4th Cir. 1984); *Marathon Mfg. v. Enerlite Prods.*, 767 F.2d 214, 217 (5th Cir. 1985); *Scandia Down Corp. v. Euroquilt*, 772 F.2d 1423, 1428-29 (7th Cir. 1985), *cert. denied*, 475 U.S. 933 (1988); *Mutual of Omaha v. Novak*, 836 F.2d 397, 398-99 (8th Cir. 1987); *Levi Strauss v. Blue Bell*, 778 F.2d 1352, 1355 (9th Cir. 1985)

likelihood of confusion as a question of law subject to *de novo* review.[2] Even in those minority of circuits that treat likelihood of confusion as a legal question, however, the individual factors considered to determine likelihood of confusion (i.e., similarity of the parties' marks, evidence of actual confusion, etc.) are issues of fact, subject to review under the clearly erroneous standard. In other words, a District Court's determinations as to the individual factors that compose likelihood of confusion are always subject to clear error review in every federal circuit.

It should also be noted that the clearly erroneous standard is applied by the federal courts to many other similar fact issues in trademark law, including secondary meaning, genericness and descriptiveness, abandonment and functionality. *See, e.g., In re Loew's Theatres*, 769 F.2d 764, 768 (Fed. Cir. 1985) (secondary meaning); *In re Merrill Lynch*, 828 F.2d 1567, 1571 (Fed. Cir. 1987) (genericness); *Cerveceria Cetroamericana, S.A. v. Cerveceria India, Inc.*, 892 F.2d 1021, 1024 (Fed. Cir. 1989) (non-use and intent); and *Cable Elec. Prods. v. Genmark, Inc.*, 770 F.2d

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(Judge Kozinski's commentary in *Dreamwerks, infra* at 142 F.3d at 1127, notwithstanding, this *en banc* ruling that likelihood of confusion is reviewed under the clearly erroneous standard remains the law in the Ninth Circuit); *Wesco Mfg. v. Tropical Attractions of Palm Beach*, 833 F.2d 1484, 1488 n.6 (11th Cir. 1987); and *Reader's Digest Ass'n v. Conservative Digest, Inc.*, 821 F.2d 800, 804 (D.C. Cir. 1987).

[2] *See, e.g., Hasbro v. Lanard Toys, Ltd.*, 858 F.2d 70, 75-76 (2d Cir. 1988); *Frisch's Restaurants v. Elby's Big Boy of Steubenville, Inc.*, 670 F.2d 642, 651 (6th Cir. 1981), *cert. denied*, 456 U.S. 916 (1982); *In re Electrolyte Laboratories*, 929 F.2d 645, 647 (Fed. Cir. 1990).

1015, 1030 (Fed. Cir. 1985) (functionality). Each of these issues, like likelihood of confusion, entails consideration of multiple factors of evidence and the conclusion is reviewed by appellate courts under the clearly erroneous standard. Petitioner proffers no good reason for singling out likelihood of confusion for different treatment, and adopting of the minority standard of review urged by petitioner would create turmoil in the field of trademark law with regard to these other fact-intensive issues.

In the case at bar, the District Court properly concluded there were no genuine issues of material fact to preclude summary judgment. Indeed, petitioner's opposition to respondent's motion for summary judgment contained no statement of facts whatsoever; petitioner simply chose to interweave its legal argument with its view of the facts and rely on the facts statement in its own summary judgment motion, rather than respond to each numbered fact paragraph in respondent's summary judgment motion as required by local rule. See Appendix to Petition at A31 n.1. If petitioner's complaint is that the District Court ignored certain controverted facts below, it should have followed the local rule and presented those fact controversies clearly to the District Court. Further, although the Tenth Circuit acknowledges the existence of a circuit split regarding the appropriate standard of review for likelihood of confusion, petitioner alleges no error, clear or otherwise, in the recitation of facts set forth in the decisions of the District Court or the Tenth Circuit. Petitioner takes no issue with the individual factors used by the District Court. In sum, there is nothing in the record to suggest this case would have been a different

outcome had the Tenth Circuit employed a *de novo* rather than clearly erroneous standard of review.[3]

Petitioner next suggests to the court that the lower courts need guidance on how to characterize the relative strength of marks. This Court has already provided the requested guidance. *See Two Pesos, Inc. v. Taco Cabana, Inc.*, 505 U.S. 763, 768 (1992). In support of this argument, petitioner points to an alleged inconsistency between the characterization of HEARTSPRINGS as suggestive in the Tenth Circuit and DREAMWERKS as arbitrary in the Ninth Circuit. *Dreamwerks Prod. Group, Inc. v. SKG Studio*, 142 F.3d 1127 (9th Cir. 1998). In the instant case, however, petitioner admitted the suggestiveness of its mark and presented no evidence that a consumer would draw any different connection. The *Dreamwerks* decision is bereft of any such statements from the trademark owner. Further, the alleged distinction petitioner attempts to draw between the definitions of arbitrary marks from the Ninth and Tenth Circuits is greatly overstated, if it exists at all. In the Ninth Circuit, a mark is arbitrary if it is made of common words used in a fictitious and arbitrary manner to create a distinctive mark. In the Tenth Circuit, an arbitrary mark uses words having a common meaning unrelated to the product to which it has been assigned. In either circuit, a mark such as APPLE Computers would be arbitrary. A review of the record in the instant case

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[3] Indeed, the District Court, citing *Universal Money Ctrs. v. American Tele. & Telegraph*, 22 F.3d 1527 (10th Cir. 1994), *cert. denied*, 115 S.Ct. 655 (1994), hinted that summary judgment would be appropriate in this case where "no likelihood of confusion existed as a matter of law," the test urged by respondent.

shows the District Court properly considered the suggestive/arbitrary nature of the mark in dispute, and no additional guidance is required by this Court.

CONCLUSION

For the foregoing reasons, respondent prays the Court deny the Petition for Writ of Certiorari.

Respectfully submitted,

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HEARTSPRINGS, INC.,

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Respondent.

**On Petition For Writ Of Certiorari
To The United States Court Of Appeals
For The Tenth Circuit**

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4 pp

I. RESPONDENT CONCEDES A CONFLICT

Respondent's brief in opposition amply demonstrates the confusion surrounding the standard of review applicable in this case. Respondent states:

> In the Tenth Circuit, likelihood of confusion is a question of fact, reviewed for clear error. . . . [It] treated as a question of fact subject to a clearly erroneous standard of review in the First, Third, Fourth, Fifth, Seventh, Eighth, Ninth, Eleventh and District of Columbia Circuits. The Second, Sixth and Federal Circuits treat likelihood of confusion as a question of law subject to *de novo* review.

Brief in Opposition at 4-5.

This split in the circuits, although sufficient in itself to warrant Supreme Court review, is only one layer of the problem here. As respondent readily concedes, the Tenth Circuit is at odds with other circuits as to whether "likelihood of confusion" is a question of fact or law. But what respondent *and the Tenth Circuit* fail to recognize is that the district court examined the evidence in this case in the context of a summary judgment motion, and not as a finder of fact.

Having held that "likelihood of confusion" is a question of fact, the Tenth Circuit should have given no deference to the district court's factual "findings." *But see* Tenth Circuit Opinion at A5 ("Likelihood of confusion is a question of fact we review for clear error. . . . If [the district court's] finding is not clearly erroneous, the plaintiff's claim fails.") Instead, the circuit court should have followed this Court's directive and reviewed the judgment *de novo* to simply determine whether fact issues

exist. *Anderson v. Liberty Lobby, Inc.*, 477 U.S. 242, 249 (1986).

The inability of the Tenth Circuit and respondent to grasp these concepts should be cause for concern. While litigants in the Third, Fourth, Sixth and Ninth Circuits have their cases measured under Fed. R. Civ. P. 56, *see* Petition 6-7, litigants in the Tenth Circuit have theirs measured under Rule 52. This disparity of treatment among the circuits should not be allowed to stand.

II. THE LOWER COURTS NEED GUIDANCE

Respondent tries to downplay the inconsistency between this case and the Ninth Circuit's *Dreamwerks* case by stating that "[i]n either circuit, a mark such as APPLE Computers would be arbitrary." Brief in Opposition at 7. Respondent's argument is irrelevant here, however, because neither *Dreamwerks* nor this case involves APPLE Computers.

In the instant case, the Tenth Circuit held that in order to gain broad protection, a mark must have a *common meaning* unrelated to the product for which it has been assigned. (A10) The Ninth Circuit in *Dreamwerks* held that a mark is entitled to similar protection if it is invented solely to function as a trademark. 142 F.3d at 1130 n. 8. These standards inevitably lead to differing results. Both Dreamwerks and HEARTSPRINGS were created to serve as trademarks. Accordingly, both would be entitled to broad protection in the Ninth Circuit and significantly less protection in the Tenth Circuit. This

cannot be the result the Court desired when it decided *Two Pesos, Inc. v. Taco Cabana, Inc.*, 505 U.S. 763 (1992).

CONCLUSION

Respondent readily concedes that the circuits differ on whether "likelihood of confusion" is a question of law or fact. The Tenth Circuit holds that it is a question of fact, but then gives deference to the district court's decision on summary judgment. This Court should intervene to remedy the situation and accord Heartsprings its appropriate status as an arbitrary mark.

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